JAZZ RESOURCES INC.

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JAZZ RESOURCES INC. CLARIFIES DISCLOSURE ON ACQUISITION AND NON-BROKERED PRIVATE PLACEMENT

Vancouver, British Columbia, Canada – Further to its news releases dated July 28, 2020 and July 31, 2020, Jazz Resources Inc. (the "**Company**" or "**JZR**") wishes to clarify previous disclosure about a proposed acquisition and a non-brokered private placement.

On July 31, 2020, the Company announced a proposed arms-length transaction to acquire from Coltan Gold Mining Inc. ("**CGM**"), a private company based in Vancouver, British Columbia, on or before October 19, 2020, unless amended by the parties, its interests in and to the Vila Nova gold exploration and development project in Brazil by the acquisition by JZR from CGM of a joint venture royalty agreement ("**JV Royalty Agreement**") between CGM and Eco Mining Oil & Gaz Drilling and Exploration EIRELLI ("**Eco**"), a "Green Seal" mining operator, dated July 6, 2020, CGM has agreed to acquire a 50% net profits interest in the Vila Nova property in Amapa, Brazil. Under the JV Royalty Agreement, CGM has agreed to make the following payments to Eco, subject to satisfactory project assessment prior to each stage of funding:

(a) On or before September 30, 2020 of the JV Royalty Agreement, USD$500,000 to fund the 2,000 m drilling program and related costs needed to complete the business plan to construct a 1,280 t/d bulk exploitation program on the Vila Nova property (the "**Initial Program**");
(b) On or before November 15, 2020, a second payment of USD$500,000; and
(c) On or before May 5, 2021, a final payment of USD$5,000,000.

In consideration, Eco has granted to CGM a 50% net profits interest from all products and minerals produced from the property (50% of gross proceeds after costs) and exclusive rights to explore and develop the property, including initiating and carrying out commercial production. Eco will remain the sole operator of all mining-related activity on the property, including environmental remediation.

CGM will have the right, at any time, prior to completing the payments under the JV Royalty Agreement, to give notice to Eco to terminate the JV Royalty Agreement, and all payments made by under the JV Royalty Agreement to Eco will be secured loan advances bearing interest at 6% per annum for a two-year term and shall be repayable by Eco. To date CGM has advanced USD$540,000 to Eco on behalf of the Estrela property (which Eco has agreed is repayable under the JV Royalty Agreement in accordance with its terms), USD$140,000 to Eco under the JV Royalty Agreement, and paid CAD$35,000 for a draft report on the Vila Nova property.

Under the proposed terms of the agreement between the Company and CGM, JZR is required to provide a USD$500,000 loan to CGM to fund the Initial Program to explore and assess the merits of conducting further exploration and development on the property, which includes 2,000 m of drilling, which will be overseen by GE21 Mining Consultoria Mineral of Brazil. If warranted, JZR can continue its participation by raising up to USD$5.5 million to place the 1280 t/per day plant into operation on the Vila Nova property. Any such production shall not be based on a feasibility study of mineral reserves demonstrating economic and technical viability and, accordingly, there may be increased uncertainty and the specified economic and technical risks of failure associated with such production decision.

There shall be no change of management in connection with the foregoing transactions.

The Company re-announces a non-brokered private placement (the "**Private Placement**") of up to 10,000,000 units (each, a "**Unit**") at a deemed price of $0.20 per Unit for gross proceeds of $2,000,000, as previously announced on July 28, 2020. Each Unit is comprised of one common share of the Company and one common share purchase warrant ("**Warrant**"), with each Warrant entitling the holder to purchase one additional common share at $0.39 per share for a period of six months from the date of issue. To fund the initial USD$500,000 cash advance to CGM, the Company proposes to complete, a portion of the $2,000,000 private placement as a sidecar private placement. Under the sidecar financing, that amount equal to US$500,000 shall be raised by subscription receipts and the funds raised shall be loaned to CGM on an unsecured basis. In the event that the acquisition of the JV Royalty Agreement by JZR from CGM does not occur for any reason, then (a) the sidecar subscribers shall be deemed to have completely released and discharged JZR, (b) the loan from JZR to CGM will be cancelled and CGM will no longer be indebted to JZR and (c) such sidecar subscribers and CGM shall be deemed to have entered into loan agreements with regards to the funds advanced to JZR that JZR loaned to CGM (each, a "**Coltan Loan Agreement**"). Each loan under the Coltan Loan Agreement shall be have a term of 5 years and bear interest at 6% per annum and may bew converted into a CGM common share at the rate of $0.05 of indebtedness per CGM common share.

Should JZR assume CGM's obligations under the JV Royalty Agreement, JZR proposes to issue to CGM:

(1) a combination of common shares, and / or special warrants exercisable into common shares of JZR which, in the aggregate and upon the exercise of any special warrants, shall not exceed 2,000,000 common shares. The special warrants may be exercised for no further consideration, provided the exercise, and in addition to any common shares issued by JZR to CGM, will not result in CGM owning more than 19.5% of the issued and outstanding common shares of JZR assuming completion of the Private Placement. The Special Warrants shall have no voting rights; and

(2) A two-year convertible note (the "**Convertible Note**") having a principal amount of $1,250,000, accruing interest at 4% per annum not compounded and shall be unsecured. The loan principal may be converted at the sole option of the Seller into common shares of Buyer at **$0.40** per common share for an aggregate amount of **3,125,000 common shares** of Buyer and the interest may be converted at the sole option of the Seller into common shares of Buyer at the greater of **$0.40** per common share or the undiscounted closing market price as at the trading day of Buyer on the date of written notice of Seller to convert such interest into common shares subject to the following restrictions: (A) the common shares issued by JZR pursuant to such conversion shall not result in CGM owning, together with any other common shares of JZR under its ownership, control or direction, 19.5% or more the issued and outstanding common shares of JZR after immediately giving effect to such issuance; or (B) the disinterested shareholders of JZR passing a resolution at a meeting approving any exercise that would result in CGM owning, together with any other common shares of the Company under its ownership, control or direction 19.5% or more the issued and outstanding common shares of the Company. The Convertible Note shall have no voting rights.

Subject to TSX Venture Exchange approval, the Company may pay a cash finder's fee of up to 6% of the aggregate gross proceeds of the Private Placement and 6% warrants to registered brokers of the aggregate gross proceeds of the Private Placement.

All securities issued pursuant to the Private Placement will be subject to a four month hold period from the date of issuance. Completion of the Private Placement is subject to TSX Venture Exchange approval.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

None of the securities of JZR have been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities law, and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States or "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act) absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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